

PINK

ODP-83-595
SAF-E121-83
25 April 1983

MEMORANDUM FOR: Chief, Administration Group,
Office of the Comptroller

ATTENTION :

FROM :

SAFE Contracting Officer

SUBJECT : Burroughs Settlement; Request for Prior Year
Funding

1. In a telephone conversation on Friday, 22 April, you requested additional supporting documentation for our request for funding to the SAFE contract.

2. The following correspondence is provided:

TRW letter 83.35656.06-46 dated 15 February 1983
Subject: Burroughs/TRW Settlement

Memorandum for Chief, Procurement Division/OL

SAFE Contracting Officer
Subject: Burroughs/TRW Settlement dated 18 March 1983
ODP-1983-426/SAF-092-83

Letter to TRW from SAFE Contracting Officer
Subject: Settlement of Burroughs Subcontract
SAF-E117-83 dated 20 April 1983.

3. Please be assured that detailed analysis of the Burroughs claim and minutes of negotiation meetings exist in this office which substantiate the final settlement. Further, as you can see, there was close legal, audit, and management coordination throughout. If I can be of further assistance, please call

Attachments as stated

MEMORANDUM FOR: Chief, Procurement Division, OL

FROM : [REDACTED]
SAFE Contracting Officer

SUBJECT : Burroughs/TRW Settlement

REFERENCE : TRW Letter 83.35656.06-04 dated 15 Feb 1983

1. This memorandum requests your approval to ratify the settlement of the Burroughs/TRW subcontract J20770YMOS and all associated purchase orders in the amount of [REDACTED]. Further, approval is requested to issue a letter directing TRW to terminate for convenience the cost reimbursement portion of the Burroughs subcontract relating to the processor interface unit.

2. Background. Burroughs submitted its settlement proposal on 2 November 1982 in the amount of [REDACTED] for the reduction in quantity and the conclusion of subcontract J20770YMOS and associated purchase orders. At a meeting on 19 November 1982 with TRW I directed that the evaluation be performed based on the contract and existing documentation without benefit of onsite fact finding or audit by government personnel. Our objective was to reach a settlement by 31 December 1982. (The TRW analysis of the claim is attached for your retention.) After review by TRW legal counsel this document provided the basis for the development of the negotiating position.

3. Negotiation. Highlights of the negotiations are attached. Detailed minutes are on file in this office. [REDACTED] was kept apprised of the status of the offers being made.

4. Recommended Findings.

a. The approach taken to reach a settlement in the shortest possible time was correct and resulted in a fair and comprehensive agreement covering both monetary and nonmonetary issues.

STAT

1. Upon completion of the current SAFE contract no audit will be made of the Burroughs effort performed on subcontract J20770YMOS and associated purchase orders.

2. The nonmonetary issues have been handled properly and are considered part of the settlement, specifically:

- Burroughs letter entitled "Response to Correspondence from Mr. Fitzwater" dated 3 February 1983.
- TRW letter 83.35656.06-36 re Placement of the Burroughs Computer System dated 3 February 1983.

3. The Mutual Release and Settlement Agreement is legally sufficient.

c. Authorization for the SAFE Contracting Officer to ratify the settlement.

d. Authorization for the SAFE Contracting Officer to issue a notice of termination for convenience to TRW for the PIU subcontract.

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SAF-E117-83
20 April 1983

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Subject : Settlement of Burroughs Subcontract

Reference: TRW Letter 83.35656.06-04 dated 15 February 1983

STAT

The purpose of this letter is to ratify the settlement of the Burroughs/TRW subcontract J20770YMOS and all associated purchase orders in the amount of [REDACTED]

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I affirm the agreements made in my office on 9 February 1983 at a meeting with your [REDACTED] that:

1. Upon completion of the current SAFE contract (79*B353800-000) no audit will be made of the Burroughs effort performed on subcontract J20770YMOS and associated purchase orders.
2. The non-monetary issues have been handled properly and are considered part of the settlement, specifically:
 - a. Burroughs letter entitled "Response to Correspondence from Mr. Fitzwater" dated 3 February 1983.
 - b. TRW letter 83.35656.06-36 re "Placement of the Burroughs Computer System" dated 3 February 1983.
3. The Mutual Release and Settlement Agreement between TRW and Burroughs is legally sufficient.

We would like to extend our compliments on a professional analysis and negotiation under difficult circumstances.

STAT

[REDACTED]
Contracting Officer

EEKDE

TRW Defense Systems
Group

One Space Park
Redondo Beach, CA 90278
213 535 4321

83.35656.06-046
15 February 1983

FEB 24 9 49 AM '83

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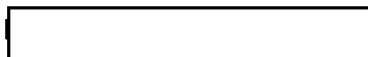
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Attention: 
Contracting Officer

Subject: Burroughs/TRW Settlement :

Reference: 83.35656.06-040, Memorandum of Agreement
Regarding the Burroughs Computer Systems,
dated 7 February 1983


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The Settlement of the Burroughs/TRW SAFE Subcontract J20770YMOS and all associated purchase orders was concluded on Monday, 14 February 1983, at which time Burroughs was provided with a copy of the referenced Agreement and a check in the amount of .

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Accompanying this correspondence are the following:

- TRW Letter 83.35656.06-040, Memorandum of Agreement regarding the Burroughs Computer Systems, dated 7 February 1983. (Accompanying this letter are all of the documents pertinent to the Agreement.)
- TRW Letter 83.35656.06-042, Burroughs correspondence, from  to Mr. Harry E. Fitzwater, dated 9 February 1983.

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The following issues regarding the subject Settlement are still pending and require action on the part of the Government:

- Provide a letter regarding placement of the Burroughs Computer Systems (a draft was provided on 15 December 1982).
- Provide a letter directing TRW to terminate, for convenience, the Cost Reimbursable portion of the Burroughs subcontract relating to the Processor Interface Units (PIU).
- Provide disposition instructions regarding the Burroughs Computer Systems.

As a result of the meeting conducted in your office on Wednesday, 9 February 1983, TRW understands the Government has agreed to the following:

- When the Government terminates the current SAFE Contract with TRW, no audit will be required of the Burroughs effort performed on Subcontract J20770YMOS and all associated purchase orders.
- The nine (9) boxes which were packed by Burroughs containing material relative to the Processor Interface Units (PIU) and are currently being stored in the vault in Building 103, have been released by the Government for shipment to Burroughs at Paoli, PA.

Subsequent to the receipt of the Notification of Termination for Convenience of the remaining Burroughs effort, TRW will provide formal notification to Burroughs and request Burroughs submit a claim for the costs incurred for which they have not been reimbursed. Subsequent to the receipt of their claims, TRW will provide the claim, including all supporting data, to your office for audit and disposition.

Sincerely,

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Contracts Manager
SAFE Project

ER:sf

Enclosure: As stated

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Software & Information Systems Division
TRW Defense Systems Group

One Space Park
Redondo Beach, CA 90278
213.536.3525

83.35656.06-040

7 February 1983

Burroughs Corporation
7925 Jones Branch Drive
McLean, Virginia 22102

Attention: Ms. Eddi C. Loreda
Contracts Manager

Subject: Memorandum of Agreement Regarding
the Burroughs Computer Systems

Reference: Final Settlement of the Burroughs/TRW
SAFE Subcontract J20770YMOS and all
Associated Purchase Orders

Dear Ms. Loreda:

STAT This memorandum provides documentation on the Settlement Agreement of the Burroughs/TRW Fixed Price SAFE Subcontract J20770YMOS and all associated purchase orders mutually agreed upon on Thursday, 3 February 1983, in the amount of [REDACTED]

In addition to the agreement on the price, both parties mutually agreed that the following events must occur prior to Final Settlements.

• Burroughs

- STAT
- Submit an invoice for settlement in full in the amount of [REDACTED]
 - Provide a letter withdrawing the content of the Burroughs correspondence dated 7 July 1982.
 - Agree to and execute a Mutual Release and Settlement Agreement.

• TRW

- Prepare and execute a Mutual Release and Settlement Agreement.
- Provide Burroughs with a letter regarding placement of the computer systems.
- Prepare and issue a check in the amount of

Accompanying this correspondence are copies of the following documents which constitute this Settlement Agreement.

- Burroughs Invoice Number 999999 dated 2 February 1983, in the amount of
- Burroughs letter entitled "Response to Correspondence from Mr. Fitzwater", dated 3 February 1983.
- A fully executed Mutual Release and Settlement Agreement.
- TRW letter 83.35656.06-036, Placement of the Burroughs Computer Systems, dated 3 February 1983.

The cost reimbursable effort relative to the Processor Interface Unit (PIU), which was procured on TRW Purchase Orders J91144YM05 and J1909YM05, is not included in this Settlement Agreement. The settlement of this effort will be accomplished by TRW issuing a formal Notification of Termination in accordance with the Defense Acquisition Regulations.

Sincerely,

SAFE Project

ER:sf

Attachments: As stated

INVOICE

Approved For Release 2005/08/16 : CIA-RDP90-00992R000100100042-4

PHONE: 648-7433
PAOLI, PA. 19301

2 780

TRW
ONE SPACE PARK
ATTN: J. HOAGLAND
MAIL STOP 126/1482
SHERBROOKE BEACH, CALIF. 90278TERMS - NET CASH
PAYMENT DUE ON INVOICE DATE
SEND PAYMENT TOBurroughs Corporation
P.O. BOX 4068-1331
PHILADELPHIA, PA. 19177

M.O.# 2070008800

PAGE 1

PAY THIS STATE

GSA NUMBER	CUSTOMER ORDER NUMBER	INVOICE DATE	CUSTOMER NO.	INVOICE NUMBER	INVOICE TOTAL
	SEE BELOW	2-2-83	36001576	999999	
MACHINE DESCRIPTION	STYLE NUMBER	SERIAL NUMBER	EFFECTIVE DATE	RATE PER MONTH	

36001576 2 780

INVOICE ISSUED FOR THE FULL AND FINAL PAYMENT OF
SUBCONTRACT J20770YMOS TO INCLUDE PURCHASE ORDER
NUMBERS:

F38879YKOE
J20770YMOS - 1,2,3,5,6,7,8,9,10,11,12,13
J19100YKIA - 1 & 2
J19084YKIA - 1
J19085YMIE
J87267YKIE
J87816YKIE - 1
J87807YKIE - 1 & 2
J87929YMOH
J87945YJOG
J87953YKOC
J87946YMOS - 1 & 2
J87948YKOG
J87985YKOC
J87985YKOG

J87986YKOE
J87997YMIF - 1
J87998YMIG
M21107YMIC
M21137YJIF
M21145YK2E
M21782YKIE - 1
M21795YJIA
M21795YJIC
M39411YJIC
M41379YKIC - 1
M41725YJIC
M92520YM25 - 1
M92518YK2C
P05328YKIA

TOTAL AMOUNT DUE PER THE ABOVE

\$ 1,700,000.00

hereby certified that the above described goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards
of 1938 as amended, and of Regulations and orders of the United States Department of Labor issued under Section 14 thereof.

MA IN US AMERICA

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DAG 1170 9/78



FEDERAL AND SPECIAL SYSTEMS GROUP

7925 Jones Branch Drive • McLean, VA 22102

February 3, 1983

Mr. Robert D. Williams
Vice President and General Manager
Software and Information Systems Division
Defense and Space Systems Group
TRW, Inc.
One Space Park
Redondo Beach, CA 90278

Subject: Response to Correspondence from Mr. Fitzwater,
dated 3 August 1982

Reference: 1) Burroughs Letter Entitled SAFE Program;
Subcontract No. J20770YMOS between TRW
and Burroughs, dated 7 July 1982
2) TRW Letter 82.35656.06-007, dated
26 August 1982

Dear Mr. Williams:

I have received your request for response to Mr. Harry E. Fitzwater's
correspondence dated 3 August 1982.

In the best interest of continuing the good relationship between the Burroughs
Corporation, TRW and the Government, the Burroughs Corporation would like to
withdraw the content of the correspondence indicated in reference number (1).

Very truly yours,

BURROUGHS CORPORATION

R. B. O'Connell
President
Federal and Special Systems Group

/hp